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SUBJECT: SENATOR CANTWELL MEETS WITH SHANGHAI VICE-MAYOR ON  
SUSTAINABLE DEVELOPMENT AND PORTS

REF: SHANGHAI 148

(U) This message is sensitive but unclassified. Not for  
distribution outside USG channels.

¶1. (SBU) Summary. In a September 7 meeting with Washington  
State Senator Maria Cantwell, Shanghai Executive Vice Mayor Yang  
Xiong touted Shanghai's expanding investments in new energy  
technology, highlighting efforts to use the World Expo 2010 as a  
platform for promoting clean energy. Senator Cantwell detailed  
Washington State's clean energy initiatives and suggested that  
Shanghai and Washington State combine their efforts to develop  
smart grid technology and achieve broader environmental  
objectives. End Summary.

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SHANGHAI WORLD EXPO: PUTTING ITS CLEANEST FOOT FORWARD

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¶2. (SBU) In a September 7 meeting with Senator Maria Cantwell  
(D-WA), Executive Vice Mayor Yang Xiong compared the World Expo  
2010 to the 1933 World's Fair in Chicago, which took place in  
the midst of an economic depression and helped to restore  
confidence in the global economy. Yang expressed hope that the  
Shanghai Expo will not only serve this confidence-rebuilding  
function but will also put Shanghai forward as a role model for  
other cities through its use of clean energy and its reduction  
of carbon dioxide emissions. He detailed measures the Shanghai  
Municipal Government and Expo Bureau are taking to showcase  
China's clean energy achievements to the world during the World  
Expo. Solar panels and photovoltaic power generators with  
400-500 megawatt capacity will power many of Expo installations.  
All vehicles on the Expo site will run on a combination of fuel  
and batteries, with a zero emission target. Water from the  
adjacent Huangpu River will be channeled through pipes as an air  
conditioning mechanism. One fourth of the Expo area will be  
covered with grass or trees to absorb carbon dioxide. (See  
reftel for more info on the environmental protection aspects of  
the Shanghai 2010 Expo.)

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"BETTER CITY, BETTER LIFE"

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13. (SBU) Shanghai's efforts to develop clean energy are not limited to the World Expo, Yang observed. Shanghai's lack of energy resources, coupled with the high cost of energy in China's eastern coastal cities, creates a strong incentive for developing clean energy technologies. Shanghai is positioning itself to take a leading role in China's national efforts to develop new energy at a reasonable price and has plans for or already invested in solar and wind power, Integrated Gasification Combined Cycle (IGCC), biomass, and smart-grid technology. Yang also pointed to the decision of large international companies, such as General Electric, to establish research and development facilities in Shanghai as evidence of the city's growing role as a center for research and development, the work of some of which will include clean energy research. Yang also stressed the Central Government views clean energy as a crucial component of China's continued rapid economic development, laying the foundation for Shanghai's clean energy initiatives.

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SHIPPING AND PORTS

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14. (SBU) Yang noted that Shanghai and international companies operating in Shanghai benefit from the Central Government's favorable treatment of the Port of Shanghai and Yangshan Port, which Senator Cantwell had toured the day before. Senator Cantwell told Yang she would like to see a more active presence for U.S. shipping and stevedoring companies in China, since Chinese companies, such as China Shipping, already have commercial opportunities in Washington State and throughout the United States. Yang noted that Shanghai has many preferential policies to support development of international shipping in

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Shanghai and recommended that interested U.S. shipping companies include contacts with port and municipal officials in China as part of the services market access inquiries.

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AN ENVIRONMENTAL PARTNERSHIP

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15. (SBU) Senator Cantwell, whose visit centered on a conference on green technology sponsored by Shanghai's American Chamber of Commerce, noted the similarities between Shanghai and Seattle, which both "look to the Pacific Ocean and to the future." She explained the vital role of hydroelectric power in Washington State and detailed her state's current efforts to accommodate electric cars and create neighborhoods of "zero homes" that, rather than taking energy from the power grid, put energy back onto the grid. She raised the possibility of direct cooperation between Washington State and Shanghai on energy issues, particularly with respect to smart grid technology. The Senator praised Yang for his vision of the 2010 World Expo as a force to pull the world out of the current economic downturn and reiterated Secretary Clinton's strong commitment to the World Expo and the U.S. Pavilion. Yang said he would pass Senator Cantwell's message about energy cooperation along to his colleagues and asked Senator Cantwell to thank Secretary Clinton for all of her efforts to promote the World Expo. Yang said he hopes Secretary Clinton will attend the Expo opening ceremony next spring and hopes Senator Cantwell will also attend.

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